

# Realty Trust Review

January 25, 1980  
Priced January 22

VOL. XI, No. 2

## INVESTMENT OUTLOOK AND STATISTICAL ISSUE

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## MARKET ANALYSIS: BLOCK HOLDING ACTION IN REALTY TRUST STOCKS STEPPING UP

In the two weeks since publishing our new listing of block holdings in realty trust stocks, we have been inundated with reports to the SEC of new and sold positions. As activity in these shares keeps increasing, there have been several major developments regarding these block holdings also, warranting an update to keep you on top of potential deals, mergers, or liquidations.

The table on page 2 comprises the updated listing of block holdings. Of the trusts listed, the holdings in API Trust, First Carolina, Franklin Realty, Mortgage Investors of Washington, Republic Mortgage, and TRECO (Morgens/Waterfall) represent new positions. Holdings in Clevetrust, Compass, Fidelco Growth,

First Mortgage, First Newport, GMR Properties, GREIT, ICM Realty, Hanover Square, Plaza, Riviere, TRECO (Westchase) and Westport have been increased.

But this does not begin to indicate what is happening with these positions. The Plesset group, which has taken a 3.3% common stock position in Franklin Realty, joins three other groups with a total 34.2% interest. Assuming conversion of all debentures (at \$10/share), the four groups would hold a total of 30.4% of fully diluted shares.

On Tuesday, January 22, Franklin announced that it intended to spin off some properties to shareholders and liquidate others, causing widespread guessing regarding the actual breakup value of trust assets. The \$25/share (primary) valuation which has been ru-

(cont'd on p.7)

## WITH OUR SISTER SERVICE

*HOUSING & REALTY INVESTOR's* (formerly *Real Estate Disclosure Digest*) Jan. 18 issue contained our bi-monthly Relative Appeal Ranking of about 45 leading merchant builder, investment builder, and mortgage stocks. Single copy: \$20 prepaid

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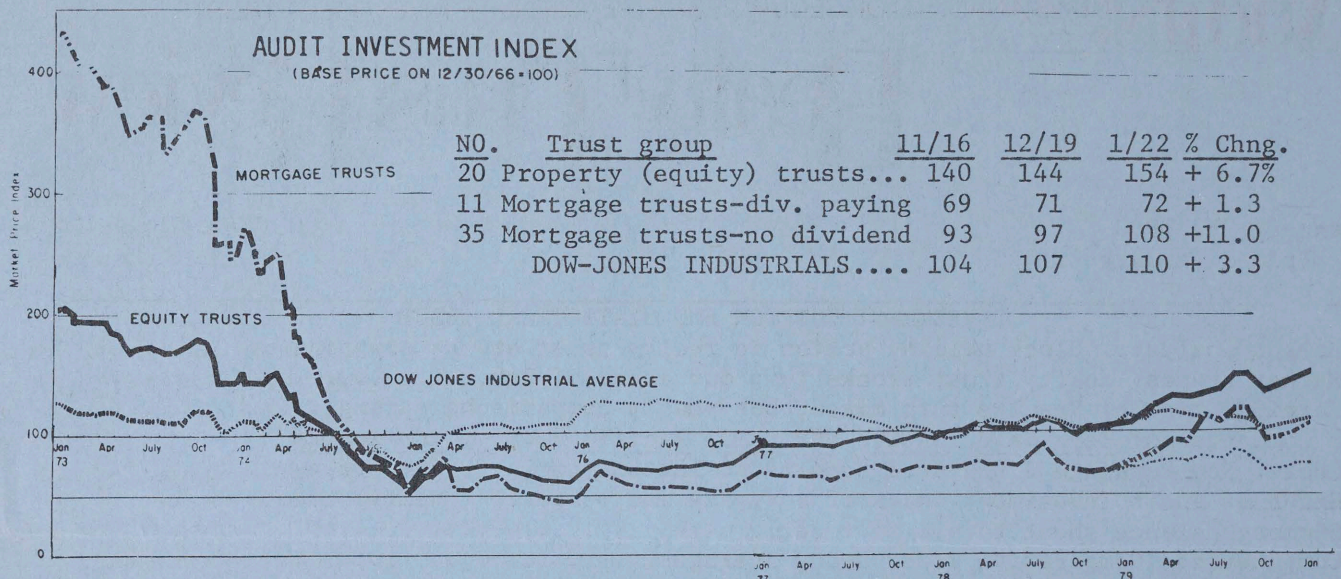


TABLE I -- UPDATED BLOCK HOLDINGS IN REALTY TRUSTS

Trust	Com.Sh. Out	Buyers	Date*	Th.Com. owned	% of Total	Mkt.Val. (Th. \$)
API Trust.....	1,012	Shelbourne Associates	12/17/79	80.0	7.9%	\$ 230
" "	"	First Carolina; Brent Baird	12/21/79	140.9	13.9	406
Clevetrust Rlty.	2,525	Drexel Burnham Lambert	12/13/79	239.3	9.5	2,214
Compass Inv. Gr.	6,935	American Financial Corp.	1/22/80	3805.2	a53.4	6,925
Fidelco Growth..	1,580	Sidney Baer (c)	1/16/80	284.1	18.0	1,385
First Carolina..	1,510	Harris Associates	12/31/79	83.4	5.5	667
First Mortgage..	8,495	Chittenden Associates	12/27/79	1530.0b	15.3b	3,060
First Newport...	2,339	Deltec Panamerica	12/21/79	168.0	7.2	357
Franklin Realty...	999	Plesset Family Corp.	12/31/79	32.7	3.3	450
" "	"	" "	12/31/79	21.9b	2.1b	301
GMR Properties..	2,957	Deltec Panamerica	12/21/79	248.0	#8.4	589
GREIT Realty.....	998	Unicorp Financial	1/16/80	232.2	#23.3	2,148
Hanover Sq. Rlty..	946	Cooper Labs et al.	12/13/79	305.2	a32.2	1,949
" "	"	" "	12/13/79	30.0b	3.1b	191
ICM Realty.....	3,011	Eastover Corp.	1/22/80	725.4	#24.1	11,878
Mtg. Inv. Wash..	2,146	Deltec Panamerica	12/21/79	154.2	#7.2	347
Newcorp.....	4,071	Fuqua Industries	10/31/79	1217.0	24.0	5,026
Plaza Realty....	1,114	Gould Inv. Trust (d)	12/13/79	104.7	9.4	144
Republic Mtg....	2,107	Roland International Corp.	1/17/80	106.6	5.1	280
Riviere Realty....	783	Loyal Amer. Life Insur.;	12/26/79	79.9	10.2	459
		Anthony B. Walsh				
TRECO Inc.....	2,299	Edwin Morgens, Bruce Waterfall	12/26/79	52.0	2.3	85
" "	"	" " " "	12/26/79	80.2b	3.4b	130
" "	"	Westchase Realty	12/21/79	60.0	2.6	98
" "	"	" "	12/21/79	789.5b	25.6b	1,283
Westport Co.....	2,388	Deltec Panamerica	12/21/79	232.1	9.7	812

\*Date of latest proxy, 13-D or other report; subsequent sales or purchases may not have been revealed. # Representatives of this group have taken board seats, but not full control. a-Full control position. b-Com. shs. into which bonds, warrants or preferred shares are convertible, and percentage of shares that would then be outstanding. c-Failed to gain control July, 1979. d-Ended combination talks with Plaza Dec. 7, 1979.



## Summary of Comparative Trust Group Averages for the Month

GROUP	QUAL	NON-QUAL	TOTAL	SHARE (000)	BOOK VALUE	ANN DIV*	EARN ANN*	LAST PRICE	-% CHNG MON AGO	FROM-- JAN 1	P/E RATIO	ANN* YIELD	% PR TO BK	RETURN ON BK	MARKET VALUE
PROPERTY-LARGE	19	0	19	2204	15.90	1.36	1.73	17.95	6.9	4.6	10.4	7.6	12.9	10.9	833.0
-SMALL	8	0	8	1198	13.58	1.49	1.46	14.25	2.3	1.3	9.7	10.5	5.0	10.8	152.5
-SUBOR LAND	3	0	3	1862	16.36	1.55	1.81	17.00	8.9	3.8	9.4	9.1	3.9	11.1	92.0
AVERAGE 3 PROP GROUPS			30	1901	15.32	1.41	1.66	16.86	6.0	3.7	10.1	8.4	10.1	10.9	1077.5
PROP & MTG COMBINATION	13	11	24	2426	11.27	0.44	0.76	10.45	11.3	9.2	13.7	4.2	-7.3	6.8	661.2
SHORT-TERM MTG	11	0	11	2061	16.35	0.88	1.21	10.52	4.3	3.1	8.7	8.4	-35.6	7.4	271.2
LONG-TERM MTG/PROP	10	0	10	3334	16.36	1.20	1.08	10.83	8.1	7.0	10.0	11.1	-33.8	6.6	338.1
MTG/FCLSD PROP-MISC	4	5	9	3289	5.39	0.00	0.32	4.05	5.4	0.4	12.5	0.0	-24.7	6.0	122.9
-BANK	0	15	15	2571	5.31	0.01	0.71	4.26	15.4	12.3	6.0	0.3	-19.7	13.4	138.4
-INDEPEND	0	38	38	3902	3.76	0.00	0.43	3.25	8.6	4.6	7.5	0.0	-13.6	11.5	316.1
AVERAGE 3 MTG/FCLSD PROP			62	3490	4.37	0.00	0.48	3.61	9.9	5.9	7.4	0.1	-17.4	11.1	577.4
OVERALL AVERAGE	68	69	137	2830	9.81	0.54	0.89	8.79	7.8	5.5	9.8	6.2	-10.4	9.1	2925.4
DOW-JONES INDUSTRIALS								136.26	866.21	3.3	3.3	6.4	5.9		

\*LATEST QUARTER ANNUALIZED

### MARKET TRENDS: REALTY TRUST STOCKS JUMP OUT AHEAD OF DOW JONES INDEX

In the first three weeks of the year, realty trust shares have moved up 5.5%, compared to a 3.3% gain in the Dow Jones Industrial Index. As has been the pattern in the past few months, all of the trust groups showed gains, but the strongest gains were registered by certain of the non-qualified groups. The non-qualified property and mortgage combination trusts were up 11.6%, and the bank-sponsored mortgage and foreclosed property group was up 12.3%. Large increases were posted by some of the more speculative issues, especially those in which large block holdings have been recently reported.

Franklin Realty, for example, moved up 57.4% (this was before the trust announced a plan to liquidate some assets), Republic Mortgage climbed 50.3% on the Roland International interest, Plaza was up 32.7% on the Gould position (this followed a 41.3% decline in the preceding month when combination talks with Gould were terminated), and Newcorp was up 37.7% on the Fuqua interest.

Lest we give the impression that

block-holder chasing has become the only game in town, B.F. Saul shares rose 19.0% following the appearance of its annual report. Landauer Associates reviewed the appraisals of trust properties by the trust advisor, and concurred with an estimated fair market value of \$285.8 million, for a current value of shareholder equity of \$13.26/share, against balance sheet book value of \$4.63. This opinion was qualified to state that the valuation did not represent estimates of realizable value in a liquidation, especially if made during a period of recession and high interest rates. It excludes any allowance for selling and liquidation costs. Moreover, appraisals of certain properties assumed that they would be held until they reach stabilized levels of occupancy and operating performance, and land parcels were valued by discounting potential proceeds of multiple lot sales over periods ranging up to ten years.

Of the other groups, the large equity trusts and the qualified property and mortgage trusts continued to show steady gains, generally paced by a few especially strong performers, such as BRT Realty (up 33.0%), Hospital Mtg. (up 22.0%) and Property Tr. Amer. (up 15.2%).

### Profile of Realty Trust Balance Sheets at Latest Report

	No.	---Invested Assets---		% Non- & Low-earn.	% Change in Month	Loss Reserve	Foreclosed Property	All Debt Equity	Shareholders	Depreciation	Taxloss Carry-forward
PROPERTY.....	30	\$ 1,812M	\$ 46M	2%	0.0%	\$ 14M	\$ 21M	\$1,186M	\$ 660M	\$259M	\$ 2M
PROPERTY & MTG.....	24	1,903	320	17	+0.9	52	160	1,293	572	149	146
SHORT/TERM MTG.....	11	1,098	126	11	-1.2	26	96	685	417	5	16
L/T MTG/PROPERTY....	10	1,093	94	9	-11.1	11	76	576	521	8	0
MTG/FORECLOSED PROP.	62	4,527	2,929	65	-1.2	723	2,040	3,562	463	79	1,965
TOTALS/AVERAGES....	137	\$10,433M	\$3,515M*	34%	-1.3%	\$826M	\$2,393M	\$7,301M	\$2,633M	\$500M	\$2,130M

\* Includes \$991M or 9.5% low-earning assets.

M=Million.



RELATIVE APPEAL	EXCH/ SYMBOL	SHARE (000)	BOOK VALUE	ANN DIV	-EARNINGS-- MON ANN	LAST PRICE	% CHANGE MON AGO	FROM- JAN 1	P/E RATIO	ANN YIELD	% PR TO BK	RETURN ON BK	MKT VA (MIL\$)
PROPERTY TRUSTS-OVER \$25M ASSETS													
1	AM EQUITY INV #	OC-AEQTS	2497	11.12	1.60 ↑ DEC	2.20 ↑ 11.25 X	9.3	0.0	5.1	14.2	1.2	19.8	28.1
1	COMMONWLTB RLTY#	OC-CRTYC	1344	9.73	0.40 MAY	0.75 9.50	11.8	11.8	12.7	4.2	-2.4	7.7	12.8
3	CONSOL CAP RLY#	OC-CCPLS	1989	26.00	2.28 ← AUG	2.00 27.50 X	-4.5	-5.2	13.8	8.3	5.8	7.7	54.7
2	DENVER REI ASN#	OC-DENVS	1101	17.49	1.00 SEP	1.80 23.00	5.7	5.7	12.8	4.3	31.5	10.3	25.3
1	FEDERAL REALTY#	AS-FRT	1434	13.87	1.40 SEP	0.80 16.63	10.9	10.9	20.8	8.4	19.9	5.8	23.8
1	FIRST UNION RE#	NY-FUR	4929	16.13	1.28 SEP	1.24 16.25 X	9.5	5.7	13.1	7.9	0.7	7.7	80.1
1	FLORIDA GLF RL#	OC-FGLFS	997	20.55	1.28 OCT	1.68 ↑ 15.50	1.6	1.6	9.2	8.3	-24.6	8.2	15.5
1	GENERAL GROWTH#	NY-GGP	6202	11.31	1.60 SEP	2.18 42.25 X	8.3	10.5	19.4	3.8	273.6	19.3	262.0
2	GOULD INVESTOR#	AS-GTR	1170	18.83	1.28 SEP	1.01 ↓ 14.38	2.7	2.7	14.2	8.9	-23.6	5.4	16.8
2	GREIT REALTY	AS-GRT	998	9.36	0.40 ← OCT	0.00 ↓ 9.00 X	-4.2	-2.7	0.0	4.4	-3.8	0.0	9.0
2	HUBBARD REI	NY-HRE	4004	24.91	1.76 OCT	3.24 17.13	3.8	6.2	5.3	10.3	-31.2	13.0	68.6
2	NEW PLAN RL TR#	AS-NPR	3066	6.17	0.90 ← JUL	1.00 9.63 X	6.3	5.5	9.6	9.3	56.1	16.2	29.5
1	PENN REIT	AS-PEI	1561	13.91	1.90 NOV	2.36 ↓ 23.88	6.1	1.1	10.1	8.0	71.7	17.0	37.3
2	REIT OF AMERICA	AS-REI	1633	22.61	2.05 OCT	2.09 21.88 X	8.9	3.0	10.5	9.4	-3.2	9.2	35.7
2	SAN FRAN RE IN#	AS-SFI	1399	25.41	1.76 SEP	1.84 24.00	0.5	2.1	13.0	7.3	-5.5	7.2	33.6
NR	UNIVERSITY REI#	OC-URETS	2514	9.16	1.20 ↑ SEP	0.51 10.00 X	3.6	11.1	19.6	12.0	9.2	5.6	25.1
NR	USP RE EST INV#	OC-USPTS	2500	9.34	0.85 ↑ DEC	0.98 ↑ 6.50 X	-3.0	-7.1	6.6	13.1	-30.4	10.5	16.3
2	VIRGINIA REIT #	OC-VARES	1017	14.56	0.80 SEP	0.76 12.75	21.4	15.9	16.8	6.3	-12.4	5.2	13.0
2	WASH RE (WRIT)#	AS-WRE	1526	21.66	2.12 SEP	6.43 30.00	11.6	7.6	4.7	7.1	38.5	29.7	45.8
GROUP AVERAGE			2204	15.90	1.36	1.73 17.95	6.9	4.6	10.4	7.6	12.9	10.9	833.0
PROPERTY TRUSTS-SPECIALITY PROPS & UNDER \$25M ASSETS													
NR	GENERAL RE SHS#	OC-GRELS	557	15.96	1.21 SEP	1.52 10.00	-9.1	-9.1	6.6	12.1	-37.3	9.5	5.6
1	HOTEL INVESTOR#	AS-HOT	1691	19.76	2.20 ← AUG	2.56 21.63 X	15.9	12.4	8.4	10.2	9.5	13.0	36.6
NR	PITTS & W VA RR	AS-PW	1510	23.13	0.56 SEP	0.72 ← 5.38	4.9	4.9	7.5	10.4	-76.7	3.1	8.1
NR	RL EST INV PRP#	OC-REIPS	959	8.64	1.28 SEP	1.48 10.75	0.0	0.0	7.3	11.9	24.4	17.1	10.3
NR	REIT OF CALIF	OC-RTCAL	719	10.24	1.28 SEP	1.60 16.00	-5.9	0.0	10.0	8.0	56.3	15.6	11.5
NR	TERRYDALE RLTY#	OC-TRYLS	336	23.75	1.80 SEP	1.84 ↓ 18.00	0.0	0.0	9.8	10.0	-24.2	7.7	6.0
NR	US EQUITY & MTG	OC-USEM	1067	3.02	1.20 JUL	0.99 8.50	-5.6	0.0	8.6	14.1	181.5	32.8	9.1
NR	Z-SANTA ANITA	OC-SAC0Z	2748	4.11	2.39 JUN	1.00 23.75	0.0	-0.5	23.8	10.1	477.9	24.3	65.3
GROUP AVERAGE			1198	13.58	1.49	1.46 14.25	2.3	1.3	9.7	10.5	5.0	10.8	152.5
PROPERTY TRUSTS-SUBOR LAND LEASEBACK													
1	ICM REALTY	AS-ICM	3011	15.53	1.00 ↑ AUG	1.56 16.38	14.9	11.1	10.5	6.1	5.5	10.0	49.3
2	JMB REALTY	OC-JMBRS	510	19.81	2.12 ← AUG	2.36 ↑ 18.50 X	0.2	0.0	7.8	11.5	-6.6	11.9	9.4
1	PROPERTY CAPITL	AS-PCL	2065	13.75	1.52 OCT	1.52 16.13	8.4	1.6	10.6	9.4	17.3	11.1	33.3
GROUP AVERAGE			1862	16.36	1.55	1.81 17.00	8.9	3.8	9.4	9.1	3.9	11.1	92.0
PROPERTY & MTG COMBINATION													
3N	API TRUST	OC-APITS	1012	8.28	0.00 SEP	0.50 2.88	28.0	9.5	5.8	0.0	-65.2	6.0	2.9
3	BANKAMER RLTY	OC-BRLTS	3562	17.32	1.20 OCT	0.89 19.38	15.7	6.2	21.8	6.2	11.9	5.1	69.0
3N	BRT REALTY	AS-BRT	1400	1.89	0.00 AUG	0.00 1.25	42.0	33.0	0.0	0.0	-33.9	0.0	1.8
1	CONN GENL M&R #	NY-CGM	5828	20.55	2.00 ← SEP	2.38 25.38 X	10.7	8.6	10.7	7.9	23.5	11.6	147.9
2	FLATLEY RL INV#	OC-FLTLS	1000	9.85	0.30 SEP	0.72 5.75	-4.2	9.5	8.0	5.2	-41.6	7.3	5.8
2	IRT PROPERTY CO#	AS-IRT	2330	12.52	0.60 SEP	1.32 10.00	2.6	5.3	7.6	6.0	-20.1	10.5	23.3
2	MILLER(HS) TRST	OC-HSMTS	560	18.78	1.60 ↑ NOV	1.69 ↑ 17.25 X	0.6	-2.8	10.2	9.3	-8.1	9.0	9.7
1	MORTGAGE GROWH#	AS-MTG	2645	11.91	1.00 AUG	0.89 9.88 X	14.1	12.9	11.1	10.1	-17.0	7.5	26.1
2	PACIFIC RLTY TR#	AS-PTR	840	22.65	1.20 NOV	2.15 ↑ 25.00 X	14.3	11.7	11.6	4.8	10.4	9.5	21.0
2	PROPTY TR AMER#	OC-PTRAS	2338	9.08	0.40 SEP	0.48 8.50	9.7	15.2	17.7	4.7	-6.4	5.3	19.9
3	REALTY INCOME	AS-RLT	1591	10.55	0.80 OCT	0.35 8.75	12.9	16.7	25.0	9.1	-17.1	3.3	13.9
2N	RIVIERE REALTY#	OC-N/A	783	12.00	0.00 SEP	0.00 5.75	4.5	0.0	0.0	0.0	-52.1	0.0	4.5
3	WELLS FARGO M&E	NY-WFM	3946	18.14	1.40 DEC	1.68 ↑ 14.88	0.0	5.3	8.9	9.4	-18.0	9.3	58.7
GROUP AVERAGE			2141	13.35	0.81	1.00 11.90	9.9	7.7	11.9	6.8	-10.9	7.5	404.5
SHORT TERM MTG-MTG BANKER & MISC FIN SPONSOR													
2N	BAYSWATER RLTY	OC-BRITS	1043	18.54	0.00 OCT	2.73 <del>9.00</del>	-2.7	-2.7	3.3	0.0	-51.5	14.7	9.4
2	CENTRAL MTG&RLY	OC-CMRTS	775	13.92	0.60 SEP	0.92 10.50	7.7	7.7	11.4	5.7	-24.6	6.6	8.1
4	EQUIT LF MTG&RL	NY-EQ	5663	23.36	2.00 ← OCT	1.44 15.13 X	1.6	2.6	10.5	13.2	-35.2	6.2	85.7
3	FIRST CONTNL RE	OC-FCRES	2106	10.51	1.12 NOV	1.36 7.63 X	-4.1	1.7	5.6	14.7	-27.4	12.9	16.1
4	FRASER MTG	OC-FRASS	1038	16.57	1.12 NOV	1.12 ↑ 11.25 X	18.3	21.6	10.0	10.0	-32.1	6.8	11.7
3N	HANOVER SQ RLTY	AS-HSQ	946	11.47	0.00 NOV	0.00 ↓ 6.13	-1.9	0.0	0.0	0.0	-46.6	0.0	5.8
3	LOMAS & NET MTG	NY-LOM	3700	28.00	2.60 DEC	2.60 ← 19.25	3.3	0.0	7.4	13.5	-31.3	9.3	71.2
3	M&T MORTGAGE	OC-MTMIS	1486	10.43	1.60 NOV	1.80 11.63	-5.1	-4.1	6.5	13.8	-11.5	17.3	17.3
1N	MTG TRUST AMER	NY-MT	3860	14.33	0.00 NOV	0.58 ↓ 7.00	0.0	-1.8	12.1	0.0	-51.2	4.0	27.0
3	NATIONWIDE RE	OC-NRELS	1047	24.48	0.46 SEP	0.48 14.75	9.3	7.3	30.7	3.1	-39.7	2.0	15.4
2	WESTERN MTG	BO-WMTGS	1003	8.24	0.20 ← NOV	0.24 ↑ 3.50 X	5.0	3.6	14.6	5.7	-57.5	2.9	3.5
GROUP AVERAGE			2061	16.35	0.88	1.21 10.52	4.3	3.1	8.7	8.4	-35.6	7.4	271.2
LONG-TERM MTGS & PROPERTIES													
NR	DEL-VAL FIN CP*	OC-DVALS	1345	9.36	1.44 SEP	1.44 ↑ 10.75 X	6.0	4.9	7.5	13.4	14.9	15.4	14.5
1	HOSPITAL MTG #	AS-HMG	1178	23.41	0.60 AUG	0.51 12.50	22.0	22.0	24.5	4.8	-46.6	2.2	14.7
1	MASSMUTUAL MTG	NY-MML	4670	19.85	1.48 OCT	1.72 12.00	2.1	2.1	7.0	12.3	-39.5	8.7	56.0
3	MONY MTG INV	NY-MYM	8952	9.79	1.02 NOV	0.77 8.38 X	2.5	9.8	10.9	12.2	-14.4	7.9	75.0
3	NW MUT LIFE MTG	NY-NML	4758	19.06	1.00 ← DEC	0.88 ↓ 9.00 X	0.0	0.0	10.2	11.1	-52.8	4.6	42.8
1	PACIF SOTHERN MT	OC-PSMTS	800	12.39	1.32 SEP	1.31 8.00	0.0	0.0	6.1	16.5	-35.4	10.6	6.4
3	PNB MTG & RLTY	NY-PNI	4759	16.44	1.08 ← DEC	0.00 9.25 X	7.2	2.8	0.0	11.7	-43.7	0.0	44.0
4	REALTY REFUND	NY-RRF	1377	17.31	1.44 OCT	1.44 11.50	9.5	10.8	8.0	12.5	-33.6	8.3	15.8
2	RLTY & MTG PAC	OC-RPACS	1890	18.34	1.60 NOV	1.72 16.38 X	6.5	8.3	9.5	9.8	-10.7	9.4	31.0
2	UNITED RLTY TR	AS-URT	3610	17.63	1.04 ↑ NOV	1.00 ↑ 10.50	9.0	7.7	10.5	9.9	-40.4	5.7	37.9
GROUP AVERAGE			3334	16.36	1.20	1.08 10.83	8.1	7.0	10.0	11.1	-33.8	6.6	338.1
MTG & FORECLOSED PROPERTY-MISC SPONSOR													
2N	Y CMT INVESTMT TR	OC-CMTIS	2030	2.96	0.00 SEP	0.00 2.00	22.7	22.7	0.0	0.0	-32.4	0.0	4.1
3N	HEITMAN MTG INV	AS-HTM	3292	1.44	0.00 SEP	0.03 2.50	33.0	33.0	83.3	0.0	73.6	2.1	8.2
1N	MISSION INV TR	AS-MIT	1812	5.95	0.00 AUG	0.99 5.88	-5.9	-2.0	5.9	0.0	-1.2	16.6	10.7
3N	NORTH AMER MTG	NY-NAM	6901	5.80	0.00 SEP	0.00 3.50	7.7	-6.7	0.0	0.0	-39.7	0.0	24.2
GROUP AVERAGE			3509	4.04	0.00	0.26 3.47	6.7	4.7	13.6	0.0	-14.1	6.3	47.2



RELATIVE APPEAL	EXCH/ SYMBOL	SHARE (000)	BOOK VALUE	ANN DIV	-EARNINGS-- MON ANN	LAST PRICE	% CHANGE MON AGO	FROM- JAN 1	P/E RATIO	ANN YIELD	% PR TO BK	RETURN ON BK	MKT VA (MIL\$)		
PROP & MTG COMBINATION-NON-QUALIFIED (MOST INDEPENDENT)															
5N	AMER REALTY	OC-ARB	2222	3.57	0.00	SEP	0.43 ↑	3.38	22.9	17.4	7.9	0.0	-5.3	12.0	7.5
2N	BAY COLONY PROP	NY-BAY	3315	6.11	0.00	NOV	0.00	5.88	-12.9	-11.3	0.0	0.0	-3.8	0.0	19.5
3N	CITIZENS GROWTH	OC-CITGS	811	8.87	0.00	OCT	1.86 ↑	3.25	0.0	0.0	1.7	0.0	-63.4	21.0	2.6
1	FRANKLIN RLTY	AS-FR	999	8.96	0.06	DEC	0.63 ↑	18.50	64.4	57.4	29.4	0.3	106.5	7.0	18.5
2N	INDIANA FCL INV	OC-IFII	1154	9.12	0.00	SEP	0.00	3.63	7.4	11.7	0.0	0.0	-60.2	0.0	4.2
2N	KENILWORTH RLTY#	NY-KRT	2609	22.39	0.00	AUG	0.39	29.13	0.4	0.9	74.7	0.0	30.1	1.7	76.0
2N	SAUL (BF) REIT	NY-BFS	5893	3.94	0.00	SEP	0.00	8.63	23.3	19.0	0.0	0.0	119.0	0.0	50.9
1N	SECURITY MTG	AS-SMO	7412	6.05	0.00	DEC	0.07 ↓	4.50	28.6	12.5	64.3	0.0	-25.6	1.2	33.4
2N	US REALTY INV #	NY-UTY	3431	14.55	0.00	SEP	0.76	9.13	-2.7	2.8	12.0	0.0	-37.3	5.2	31.3
1N	WALTER REALTY	OC-WALJS	1035	7.93	0.00	OCT	0.01	5.38	4.9	4.9	538.0	0.0	-32.2	0.1	5.6
2	WISCONSIN REIT	OC-WREIS	1514	5.57	0.08	SEP	1.07	4.75	40.5	11.8	4.4	1.7	-14.7	19.2	7.2
GROUP AVERAGE		2763	8.82	0.01		0.47	8.74	13.7	11.6	18.4	0.1	-0.9	5.4	256.7	
MTG & FORECLOSED PROP-NON-QUALIFIED-INDEPENDENT MGMT															
2N	ANRET INC	PH-ARET	509	20.46	0.00	AUG	0.00	8.50	-14.0	-18.1	0.0	0.0	-58.5	0.0	4.3
4N	BUILD INV GRP	OC-BULDS	2929	1.08	0.00	SEP	0.87	2.38	-4.8	0.0	2.7	0.0	120.4	80.6	7.0
5N	VJCITIZENS MTG	OC-CZM	1421	-13.51	0.00	SEP	0.55 ↑	0.25	0.0	0.0	0.5	0.0	-0.0	-0.0	0.4
1N	COMPASS INV GR	OC-CMPSS	3319	3.86	0.00	SEP	0.01	1.75	16.7	16.7	175.0	0.0	-54.7	0.3	5.8
4N	VJCONTINENTAL MTG	OC-CMI	20838	-5.82	0.00	JUN	0.13	0.30	-6.3	-14.3	2.3	0.0	-0.0	-0.0	6.3
2N	DIVERSIFIED MTG	NY-DMG	7326	8.00	0.00	SEP	0.00	4.63	-2.5	0.0	0.0	0.0	-42.1	0.0	33.9
3N	Y DOMINION MAR	OC-DMRTS	3314	0.58	0.00	NOV	3.52 ↑	1.75	26.8	-6.9	0.5	0.0	201.7	606.9	5.8
1N	EASTOVER CORP	OC-EASTS	1034	16.19	0.00	SEP	2.96	13.50	10.2	3.8	4.6	0.0	-16.6	18.3	14.0
2N	FIRST CARO INV	OC-FCARS	1510	14.44	0.00	SEP	0.00	7.63	19.6	17.4	0.0	0.0	-47.2	0.0	11.5
2N	FIRST MTG INVT	OC-FMTGS	8495	-3.37	0.00	OCT	0.33 ↓	1.81	31.2	11.0	5.5	0.0	-0.0	-0.0	15.4
2N	FIRST NEWPT CP	OC-FNEW	2339	3.66	0.00	JUL	0.15	2.13	6.5	0.0	14.2	0.0	-41.8	4.1	5.0
3N	FIRST VIR REIT	OC-FVM	1208	8.47	0.00	SEP	0.51	2.75	-15.4	-2.1	5.4	0.0	-67.5	6.0	3.3
2N	GREAT AMER M&I	OC-GAMI	7372	-0.21	0.00	JUL	0.00	3.25	8.3	0.0	0.0	0.0	-0.0	-0.0	24.0
2N	GROWTH REALTY	NY-GRW	2059	6.74	0.00	SEP	0.00	6.75	25.5	19.9	0.0	0.0	0.1	0.0	13.9
3N	Y GUARDIAN MTG	PH-GMI	19010	-0.22	0.00	AUG	0.74	1.00	-16.0	0.0	1.4	0.0	-0.0	-0.0	19.0
3N	HAMILTON INV TR	OC-HAMTS	2175	5.27	0.00	SEP	0.00	2.75	0.0	0.0	0.0	0.0	-47.8	0.0	6.0
2N	HOMAC-BARNES	OC-HOMC	1910	9.10	0.00	SEP	0.08 ↑	2.00	14.3	6.4	25.0	0.0	-78.0	0.9	3.8
3N	INSTITUTIONAL INV	NY-INV	6798	0.98	0.00	OCT	0.00	1.50	32.7	8.7	0.0	0.0	53.1	0.0	10.2
2N	KENTUCKY PROPTY	OC-KMTGS	1100	3.24	0.00	AUG	0.02	1.88	-6.0	0.0	94.0	0.0	-42.0	0.6	2.1
5N	Y LIFETIME COMMUN	OC-LFTMS	6666	3.10	0.00	JUL	0.16	1.00	13.6	0.0	6.3	0.0	-67.7	5.2	6.7
2N	LINCOLN MTG	OC-LMNGS	1155	0.59	0.00	SEP	0.00	2.63	-16.0	-22.2	0.0	0.0	345.8	0.0	3.0
1N	MARYLAND REALTY	OC-MDRTS	760	8.29	0.00	AUG	0.00	2.75	-4.5	-4.5	0.0	0.0	-66.8	0.0	2.1
3N	Y METROPLEX RLTY	OC-JMI	11840	1.05	0.00	SEP	0.86 ↑	0.50	0.0	0.0	0.6	0.0	-52.4	81.9	5.9
2N	MIDLAND MTG	NY-MMT	2382	1.90	0.00	SEP	1.48	3.50	-12.5	-9.8	2.4	0.0	84.2	77.9	8.3
1N	MORAGA CORP	OC-MORA	1355	8.15	0.00	OCT	0.02 ↓	6.25	6.3	2.0	312.5	0.0	-23.3	0.2	8.5
4N	MTG INV WASH	OC-MINVS	2146	4.57	0.00	SEP	0.78	2.25	0.0	-5.5	2.9	0.0	-50.8	17.1	4.8
4N	Y NATIONAL MTG	OC-NMF	3707	2.18	0.00	AUG	0.01	0.88	39.7	20.5	88.0	0.0	-59.6	0.5	3.3
3N	NEWCORP INC	NY-NWC	3854	0.41	0.00	AUG	0.00	4.13	43.4	37.7	0.0	0.0	907.3	0.0	15.9
3N	Y NJB PRIME INV	OC-NJBSS	1850	4.43	0.00	AUG	0.50	5.50	15.8	10.0	11.0	0.0	24.2	11.3	10.2
1N	PARKWAY COMPANY	OC-PKWS	1055	7.79	0.00	SEP	0.00	5.38	13.3	7.6	0.0	0.0	-30.9	0.0	5.7
4N	PLAZA REALTY	OC-PRISS	1114	0.63	0.00	SEP	0.00	1.50	70.5	32.7	0.0	0.0	138.1	0.0	1.7
3N	REPUBLIC MTG	NY-RMI	2107	2.90	0.00	SEP	0.00	2.63	61.3	50.3	0.0	0.0	-9.3	0.0	5.5
2N	SO ATLANTIC FIN	NY-SAT	2706	3.73	0.00	JUL	1.05	4.00	14.3	18.3	3.8	0.0	7.2	28.2	10.8
1N	TIERCO	OC-TIERS	2355	7.61	0.00	SEP	0.04	5.25	44.6	40.0	131.3	0.0	-31.0	0.5	12.4
2N	TRECO INC	OC-TREC	2367	1.74	0.00	SEP	0.11	1.63	8.7	4.5	14.8	0.0	-6.3	6.3	3.9
4N	UMET TRUST	NY-UAT	2109	-0.22	0.00	AUG	0.00	2.38	-9.5	-9.5	0.0	0.0	-0.0	-0.0	5.0
2N	WASHINGTON CP	PH-CMU	1675	-0.87	0.00	SEP	0.00	1.38	22.1	-8.0	0.0	0.0	-0.0	-0.0	2.3
2N	WESTPORT COMPANY	OC-WSPTS	2388	6.12	0.00	OCT	1.61	3.50	5.7	3.6	2.2	0.0	-42.8	26.3	8.4
GROUP AVERAGE		3902	3.76	0.00		0.43	3.25	8.6	4.6	7.5	0.0	-13.6	11.5	316.1	
MTG & FORECLOSED PROP-NON-QUALIFIED-COMCL BANK SPONSOR															
3N	AMER FLETCHER M	OC-AFMIS	1352	1.54	0.00	OCT	0.28	2.25	38.0	25.7	8.0	0.0	46.1	18.2	3.0
2N	BT MTG INVSTRS	NY-BTM	2116	1.13	0.00	SEP	0.11 ↓	2.13	21.7	13.3	19.4	0.0	88.5	9.7	4.5
2N	CAMERON-BROWN	NY-CB	2016	9.60	0.00	SEP	0.01	3.75	-3.4	-9.2	375.0	0.0	-60.9	0.1	7.6
5N	VJCHASE MAN MTG	OC-CMR	5267	-5.20	0.00	NOV	0.29 ↓	0.63	0.0	18.9	2.2	0.0	-0.0	-0.0	3.3
NR	CITINATL DEV	OC-N/A	600	13.27	0.00	SEP	0.04	9.00	0.0	-1.4	225.0	0.0	-32.2	0.3	5.4
3N	CITIZENS&SO RLTY	NY-SM	6520	2.07	0.00	SEP	0.01	2.25	50.0	50.0	225.0	0.0	8.7	0.5	14.7
1	CLEVESTRUST RLTY	OC-CTRIS	2525	10.69	0.20	SEP	0.00	9.75	39.3	25.8	0.0	2.1	-8.8	0.0	24.6
1N	FIDELCO GROWTH	AS-FGI	1580	9.70	0.00	AUG	1.82	4.88	11.4	18.2	2.7	0.0	-49.7	18.8	7.7
2N	FIRST DENVR MTG	OC-FDENS	1621	5.41	0.00	SEP	0.00	2.75	22.2	22.2	0.0	0.0	-49.2	0.0	4.5
2N	FIRST MEMPH RLTY	OC-FMEMS	1156	6.29	0.00	AUG	0.00	4.88	11.4	11.4	0.0	0.0	-22.4	0.0	5.6
4N	FIRST PENN MTG	NY-FPM	2961	0.99	0.00	OCT	0.00	2.00	22.7	33.3	0.0	0.0	102.0	0.0	5.9
3N	FIRST WISC MTG	OC-FWMTS	1988	5.43	0.00	SEP	0.00	7.13	11.8	14.1	0.0	0.0	31.3	0.0	14.2
4N	INDEPENDENCE MT	OC-IMTGS	2625	3.60	0.00	SEP	7.37	4.00	52.1	16.3	0.5	0.0	11.1	204.7	10.5
2N	TRI-SOUTH MTG	NY-TSI	2903	5.73	0.00	SEP	0.27	3.50	21.5	11.8	13.0	0.0	-38.9	4.7	10.2
2N	WACHOVIA RLTY	NY-WRI	3335	9.34	0.00	NOV	0.46	5.00	-9.1	-2.5	10.9	0.0	-46.5	4.9	16.7
GROUP AVERAGE		2571	5.31	0.01		0.71	4.26	15.4	12.3	6.0	0.3	-19.7	13.4	138.4	
MTG & FORECLOSED PROP-NON-QUALIFIED-MISC FIN SPONSORS															
3N	AMER CENTURY MI	NY-ACT	2607	5.54	0.00	SEP	0.39	5.50	2.2	-4.3	14.1	0.0	-0.7	7.0	14.3
3N	CI MTG GROUP	PH-CI	4812	7.49	0.00	OCT	0.65 ↑	7.13	11.8	1.9	11.0	0.0	-4.8	8.7	34.3
2N	GMR PROPERTIES	NY-GMR	2957	2.56	0.00	NOV	0.17 ↑	2.38	11.7	11.7	14.0	0.0	-7.0	6.6	7.0
3N	IDS REALTY	OC-IDR	2409	7.33	0.00	OCT	0.34 ↓	2.88	-11.4	-17.7	8.5	0.0	-60.7	4.6	6.9
2N	STATE MUTUAL IN	NY-SMU	2786	9.46	0.00	SEP	0.35	4.75	5.6	0.0	13.6	0.0	-49.8	3.7	13.2
GROUP AVERAGE		3114	6.48	0.00		0.38	4.53	4.6	-2.1	11.9	0.0	-30.1	5.9	75.7	
PREFERRED STOCK & REIT FUNDS															
NR	CMT INV TR-PFD	OC-CMTIP	2149	7.50L	0.00	SEP	0.00	2.13	21.7	13.3	0.0	0.0	-71.6	0.0	4.6
NR	CYPRUS CORP	AS-CYC	1425	1.31N	0.00	OCT	0.00	2.57	-2.3	-6.5	0.0	0.0	96.2	0.0	3.7
NR	CYPRUS-PFD	AS-CYCPR	660	21.15C	1.70	---	0.00	13.50	1.9	-1.0	0.0	12.6	-36.2	0.0	8.9
NR	RET INCOME	AS-RET	3794	3.84N	0										



## CONVERTIBLE DEBENTURES

## STRAIGHT BONDS

DEBENTURE	EX	INT (%)	MAT	CONV AT	RECENT PRICE	YIELD (%)	% CHNG	CONV PARITY	STOCK PRICE	ISSUER & DESC.	EX	INT.	MATURITY	MIL \$	PRICE	% CHANGE	% YIELD
ALAMAND CORP	OC	6.50	'91F	27.75	50.00	13.0	0.0	13.87	6.25	BAY COLONY PROP-B	PS	8.50	3/15/89	15.2	69.00	6.2	12
AMER CENTURY	AS	7.00	'90	17.12	58.00	12.1	1.3	9.92	5.50	BAY COLONY PROP-C	NY	8.50	3/31/81F	6.8	91.63	2.2	9
AMER CENY'B	NY	6.75	'91	23.86	57.00	11.8	-8.0	13.60	5.50	BT MTG INV-C	OC	7.50	1/15/82	19.4	71.00	4.4	8
AMER REALTY	OC	7.00	'84F	10.40	75.00	DEF	7.1	7.80	3.38	CHASE MAN TR-A	OC	7.88	5/1/78F	36.7	88.00	6.0	VJ
BANKAMERICA	OC	6.75	'90	21.00	85.00	7.9	9.0	17.85	19.38	CHASE MAN TR-C	OC	7.50	2/1/83	41.2	52.00	10.6	VJ
BAYSWATER	OC	6.75	'91	21.00	60.00	11.3	13.2	12.60	9.00	CITIZN & SO RLY-CD#	PS	3.00	6/30/93	2.4	80.00	14.3	3
CHASE MANHTN	OC	11.63	'97	2.25	52.00	VJ	10.6	1.17	0.63	CITIZNS MTG INV-B	OC	8.50	4/15/80	20.0	29.00	-6.4	VJ
CHASE MANHTN	OC	6.50	'96F	55.00	52.00	VJ	10.6	28.60	0.63	CMEI-C	NY	6.50	3/1/82F	30.0	74.50	7.2	8
COMPASS GP	OC	8.25	'98F	1.35	131.00	6.3	10.1	1.76	1.75	DOMINION MTG-C	OC	8.00	10/31/87	11.0	72.00	10.8	0
CONN GENERAL	NY	6.00	'96	32.50	74.50	8.1	-1.9	24.21	25.38	FIRST MTG INV-A	OC	6.75	12/15/82	7.7	80.00	5.3	8
CONTNLT MTG	OC	6.25	'90	19.79	39.00	VJ	0.0	7.71	0.30	FIRST VA MTG-A	OC	4.00	11/1/80	14.9	82.00	3.8	4
EQUITBL LF M	NY	6.75	'90	26.25	67.75	10.0	-3.1	17.78	15.13	FIRST VA MTG-BM	OC	12.00	11/1/80	5.0	89.00	4.7	13
FIRST NEWPT	OC	6.75	'91F	27.50	48.00	14.1	-3.9	13.20	2.13	GMR PROPERTIES-B	AS	7.70	2/1/80	3.1	98.50	-0.4	7
FIRST PENN M	OC	6.75	'91F	8.65	50.00	13.5	4.2	4.32	2.00	GMR PROPS-B	PS	8.50	12/31/87	15.3	68.50	-0.6	12
FIRST UNION	NY	8.75	'99	18.00	96.00	9.1	0.0	17.28	16.25	GREAT AMER MGMT-B	OC	3.00	8/1/90	15.0	48.00	6.7	6
FRANKLIN RLY	AS	7.00	'89	10.00	161.00	4.3	40.0	16.10	18.50	GREAT AMER MGMT-C	OC	1.10	8/1/91	8.7	46.00	7.0	2
HANOVER SQ R	AS	7.25	'92	21.00	63.00	11.5	-1.5	13.23	6.13	GROWTH RLY-C	NY	6.75	4/15/82	9.2	80.00	5.1	8
HEITMAN MTG	AS	7.50	'92	14.70	60.75	12.3	-0.3	8.93	2.50	GUARDIAN MTG-B	PH	7.50	12/1/79F	25.0	50.00	-1.9	0
HOTEL INVSTR	OC	7.75	'90	21.00	97.00	8.0	10.2	20.37	21.63	GUARDIAN MTG-C	PH	6.75	7/15/86F	8.6	37.00	0.0	0
HOTEL INVTRS	OC	7.50	'91	25.25	84.00	8.9	13.5	21.21	21.63	IDS REALTY-H	OC	----	-----	86.0	63.00	0.0	NC
LINCOLN MTG	OC	8.00	'90	11.00	66.00	12.1	10.0	7.26	2.63	INST INVESTOR-B	OC	8.25	2/1/87	15.2	67.50	16.4	12
MASSMUTL MTG	NY	6.75	'90	21.00	68.50	9.9	1.1	14.38	12.00	INSTITNL INV-B	NY	7.88	2/1/80F	5.5	91.50	-0.4	8
MASSMUTL M	NY	6.25	'91	33.50	65.38	9.6	0.4	21.90	12.00	METROPLEX-B	OC	7.75	2/1/79F	9.6	67.00	-8.1	0
MIDLAND MTG	OC	7.00	'86	16.67	52.00	13.5	0.0	8.66	3.50	MIDLAND MTG-B	NY	8.00	3/1/80	14.6	98.50	1.5	8
MONTY MTG IN	NY	7.00	'90	11.00	83.00	8.4	-2.3	9.13	8.38	MTG INV WASH-BG	OC	12.00	11/1/80	15.0	88.00	3.5	13
MTG INV WASH	OC	8.00	'90	15.00	64.00	12.5	6.7	9.60	2.25	NATIONWIDE RE-C	OC	7.00	1/1/91	6.5	62.00	0.0	11
NEWSTRN MUTL	NY	6.00	'91	21.00	64.00	9.4	0.0	13.44	9.00	NO AMER MTG-B	PS	8.50	11/15/87	12.1	64.00	3.2	13
PAC REAL TR	AS	7.00	'92	26.25	90.00	7.8	0.6	23.62	25.00	REALTY REFUND	NY	11.38	11/15/98	20.0	88.00	-0.7	12
PNB MTG	AS	6.75	'91	20.00	60.00	11.3	0.0	12.00	9.25	REALTY REFUND-C	NY	12.00	5/15/98	15.0	88.75	1.4	13
PNB MTG & RL	NY	6.75	'82	20.00	84.13	8.0	0.6	16.82	9.25	SAUL (B.F.)-C	NY	8.50	2/1/80	25.0	99.75	1.5	8
RAM PACIFIC	OC	6.75	'91	21.00	75.00	9.0	7.1	15.75	16.38	SECURITY MTG	AS	7.25	5/1/82	35.0	87.00	0.0	8
REALTY INCOM	AS	8.00	'91	18.00	64.00	12.5	6.7	11.52	8.75	SECURITY MTG-C	OC	6.00	6/15/82	5.3	71.00	1.4	8
REPUBLIC MI	NY	9.00	'90	19.00	97.00	9.3	2.5	18.43	2.63	SO ATLANTIC-C#	NY	6.75	2/15/82F	16.9	79.00	5.5	8
SAUL (BF) RL	OC	6.50	'91	23.00	59.00	11.0	2.6	13.57	8.63	STATE MUT INV-B	NY	9.00	11/1/80F	6.2	93.13	0.1	9
SAUL(BF) REI	OC	8.00	'90	15.50	74.00	10.8	0.0	11.47	8.63	TRECO-C	OC	6.75	9/1/91	5.3	50.00	0.0	13
STATE MUTUAL	AS	6.75	'91	21.00	66.00	10.2	-0.7	13.86	4.75	TRI-SOUTH MTG-B	NY	7.75	2/15/80F	11.4	101.75	4.9	7
TRECO	OC	8.50	'98	1.62	106.00	8.0	8.2	1.71	1.63								
TRI-SO / SR	PH	10.00	'88	2.50	137.00	7.3	11.4	3.42	3.50								
TRI-SOUTH MI	NY	7.00	'92F	29.50	54.50	12.8	9.0	16.07	3.50								
US REALTY IN	NY	5.75	'89	20.20	67.00	8.6	7.8	13.53	9.13								
WASH CORP	OC	6.50	'91	33.00	50.00	13.0	4.2	16.50	1.38								
WESTPORT CO	OC	6.75	'91	21.00	55.00	12.3	1.9	11.55	3.50								

CONVERSION PARITY IS PRICE AT WHICH SHARES WOULD HAVE TO SELL TO JUSTIFY DEBENTURE PRICE. VJ-IN BANKRUPTCY REORGANIZATION. F=TRADES FLAT, WITHOUT ACCRUED INTEREST. DEF-IN DEFAULT. PH=PHILADELPHIA EXCHANGE. PS=PACIFIC EXCHANGE.

DESCRIPTION: A-SENIOR; B-SENIOR SUBORDINATE; C-SUBORDINATE OR JUNIOR SUBORDINATE. D-3% TO 9/30/82, 7% AFTER. M-VARIABLE AT 1 1/2% OVER MONTHLY PRIME. G-VARIABLE AT 1 1/4% OVER PRIME IN OCT. AND APRIL. H-FIVE SERIES. A-E: 6-7/8%, 7-1/8%, 7-3/8%, TWO VARIABLE; 1987-94. VJ-BANKRUPTCY REORGANIZATION. X-SUSPENDED BY EXCHANGE. DEF-IN DEFAULT. #MAY BE USED AT PAR TO EXERCISE WARRANTS. F=TRADES FLAT, WITHOUT ACCRUED INTEREST.

## WARRANTS

## HOW TO USE COMPARATIVE TRUST STATISTICS

These data are designed to facilitate comparison of qualified real estate investment trusts, displayed on page 4, and formerly qualified trusts and corporations, displayed on page 5. Only historical data, or annualizations of latest quarterly data, are used and thus results should not be read as estimates or projections. Investors are advised to consider carefully the following distinctive characteristics of REIT stocks compared with other industrial or financial securities:

**Annualized Dividend and Yield:** Most qualified REITs do not pay a posted regular annual dividend rate but instead pay their approximate earnings (or net cash flow) for each quarter. They do this because REITs are required to pay 90% (95% beginning 1980) of earnings to shareholders in order to qualify for exemption from Federal income taxes. This means that REIT dividends will vary from quarter to quarter much more than for industrial companies; The Wall Street Journal recognizes this variability by reporting most REIT dividends as "irregular." The outlook and stability of dividends are thus key factors in RTR's RELATIVE APPEAL RANKINGS. The "Annualized Dividend" column is the latest quarterly payout annualized by multiplying by four, and adjusting for any capital gains or special payouts. Special dividends, marked "S", are paid to maintain tax exemption but are not expected to continue in subsequent quarters. For these reasons annualized dividends and yield are not to be considered in any way as posted or guaranteed yields.

**Annualized Earnings and Price/Earnings Ratio:** For mortgage trusts, latest quarterly earnings are multiplied by four. Zeroes indicate losses or no earnings for the indicated quarter. Losses per share are however shown in the monthly Earnings Trend summary and in

NAME	EXCH/ SYMBOL	EXP DATE	OUT (000)	EXER PRICE	NO. SH.	WTS PRICE	STK PRICE	CONV PREM	% CHG	MKT VA (MIL\$)
CI MTG	PH-CI.W	3/80	2854	20.00	1.0	0.01	7.13	180.6	0.0	0.0
CITIZNS&SO-B*	PS-N/A	4/83	208	2.00	50.0	19.50	2.25	6.2	43.1	4.1
FLATLEY RLTY	O-FLTLW	5/80	1000	10.00	1.0	0.50	5.75	82.6	31.6	0.5
HOMAC-BARNES	O-HOMCW	12/82	1910	20.00	1.0	0.02	2.00	901.0	0.0	0.0
JMB REALTY	O-JMBRW	8/82	510	20.00	1.0	2.25	18.50	20.3	-9.9	1.1
M&T MTG INV	O-MTMIZ	8/80	744	13.00	1.0	0.50	11.63	16.1	-20.5	0.4
MTG INV WASH	O-MINWV	3/80	931	15.00	1.0	0.03	2.25	568.0	0.0	0.0
NEWCORP	A-NWCW	2/82	740	24.63	1.0	0.63	4.13	511.6	152.0	0.5
PNB MTG(B)	A-SUTW	6/82	700	20.00	1.0	0.63	9.25	123.0	0.0	0.4
SAN FRAN REI	A-SFIW	12/80	1348	25.00	1.0	1.75	24.00	11.5	-6.8	2.4

\*DEBENTURES USABLE IN LIEU OF CASH.

WTS PRICE OF .01 INDICATES TRADING IN MILLS.

NOTE: BUYERS ARE CAUTIONED THAT SPREADS BETWEEN BID AND ASKED PRICES FOR WARRANTS ARE VERY LARGE AND PRICES MAY VARY SIGNIFICANTLY.

RELATIVE APPEAL RANKINGS. Non-recurring items such as asset swap gains, reversals of loss reserves, etc., are not annualized for mortgage and mortgage/foreclosed property trusts.

For property or equity trusts, annualized net cash flow as calculated by Audit Investment Research, Inc. is used in place of earnings if the trust uses cash flow as the basis for dividend payments. Net cash flow is defined as net income plus depreciation minus mortgage amortization, and net cash flow trusts are designated with the symbol "H" beside their names. For a few trusts, gross cash flow (i.e., net income plus depreciation) is used and is denoted as "H\*." Both earnings (EPS) and net cash flow (CFS) per share for these equity trusts are shown in RELATIVE APPEAL RANKINGS.

Book value per share is essentially tang-

ible net worth per share after deducting intangible items such as unamortized debt discount and expenses, goodwill, etc. Book value does not reflect any appreciation in asset values but does reflect deduction of a reserve for possible investment losses computed under AICPA rules. Accumulated depreciation is added back to net book value for cash flow trusts (denoted "H" - see above) as a means of approximating market value of properties. Components of this adjusted book value are reported in RELATIVE APPEAL RANKINGS.

Shares used in the statistics are the actual number of shares outstanding as of the latest balance sheet date and do not reflect potential dilution from debenture conversion, warrant exercise, or other common equivalent shares which may have been used in computing earnings per share.



(cont'd from p. 1)  
 mored for some time is probably too low. In any case, the shares are currently (Thursday morning) trading at about 20½, up from 11-5/8 when we recommended them two weeks ago. The shares are a strong hold, and can be purchased/arbitrated for further gains.

In regard to the table published two weeks ago, ICM Realty denied that Eastover Corp. and affiliates had a controlling position, and we promised to correct that misinterpretation in the current issue. Well, we jumped the gun on that one, it appears, as Eastover has since increased its position in ICM to 24.1%, stating they plan to use their "substantial shareownership to exert influence" on trust management. Eastover has asked for increased representation on the ICM board, and wants ICM to change its investment policy to permit investments in other REITs--a la Eastover. Eastover has hired a proxy solicitation firm, but has not decided whether or not to solicit proxies in opposition to management.

In September, 1979, Gould Investors Trust and Plaza Realty announced an agreement in principle for a tax-free combination, subject to satisfactory arrangement with Plaza's banks. Talks were terminated in early December when these arrangements could not be made; following that, Gould increased its interest in Plaza to 9.4%. Gould has since stated that it is continuing to look for an acquisition or merger partner among other REITs; all we can say is that this deal may not be dead yet.

Similarly, Roland International Corp. discussed with Republic Mortgage alternate plans either to make a tender offer for 40% of the trust's outstanding shares, or to buy one million newly issued shares at \$3/share if it could approve the use of the proceeds. The trust rejected both these plans last March, but Roland has said that it may increase its interest. As Bernard Jacobson, Republic president said, "I don't know of any law that says someone can't buy our shares in the open market."

On the sales end, we have been informed that of the holdings listed two weeks ago, Morgens/Waterfall have sold their positions in American Fletcher, Capital Mortgage, and Tri-South Mortgage, and Drexel Burnham Lambert has sold its position in Indiana Financial. Lawrence Weinberg, the chairman of United Realty, has bought out Federated Development Corp. position in that trust; he currently owns 16.5% of the shares. Federated also has sold its position in Property Trust of America. Fraser Mortgage Co. has bought out the Jeffrey Schultz position in Fraser Mortgage Investments, boosting its stake to 18.6%. The company said it is involved in preliminary discussions regarding the sale of a substantial amount of its shares to an unspecified financial institution.

#### EARNINGS TRENDS: RESULTS TURN MIXED BUT YEARLY COMPARISONS REMAIN STRONG

The new decade begins with a month in which reported earnings gains for the qualified REITs were outpaced by declines for the first time in a long time. The tally, for quarter-to-quarter results, was ten down, eight up, with four unchanged; comparisons did remain largely ahead of the year earlier results, however. Annual results also showed improvement from the fiscal 1978 levels. All of this indicates that even the qualified REITs are in for a somewhat rocky period as the long-heralded recession materializes; but they are in sufficiently strong financial position to ride it out without major difficulties.

Among the strong performers in the most recent fiscal year was USP REIT, with cash flow for 1979 up 26% although earnings were down 14%. USP's results have benefited from the acquisition during the year of four shopping centers for \$4.4 million in cash and \$7.6 million of GNMA's at face value. Shop-

PORTFOLIO: Audit and its employees hold beneficially minor positions in First Newport, Homac-Barnes, Metroplex Rl., Midland Mtg., Moraga, PNB, & United Rl.



